



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



FILE COPY

DARLENE GREEN
Comptroller

Internal Audit Section

1520 Market St., Suite 3005
St. Louis, Missouri 63103-2630
(314) 657-3490
Fax: (314) 552-7670

DR. KENNETH M. STONE, CPA
Internal Audit Executive

March 26, 2012

Michelle Schiller-Baker, Executive Director
St. Martha's Hall
P.O. Box 4950
St. Louis, MO 63108

RE: Federal Emergency Shelter Grant (FESG) (Project #2012-HOM11)

Dear Ms. Schiller-Baker:

Enclosed is a report of the fiscal monitoring review of St. Martha's Hall, a not-for-profit organization, FESG program, for the period January 1, 2011 through December 31, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of St. Martha's Hall. Fieldwork was completed on February 21, 2012.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Department of Human Services (DHS) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Parimal Mehta, Fiscal Manager, DHS
Antoinette Triplett, Manager II - Homeless Services, DHS



CITY OF ST. LOUIS

**DEPARTMENT OF HUMAN SERVICES (DHS)
FEDERAL EMERGENCY SHELTER GRANT (FESG)**

**ST. MARTHA'S HALL
CONTRACT #62393
CFDA #14.231**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

PROJECT #2012-HOM11

DATE ISSUED: MARCH 26, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
DEPARTMENT OF HUMAN SERVICES (DHS)
FEDERAL EMERGENCY SHELTER GRANT (FESG)
ST. MARTHA'S HALL
FISCAL MONITORING REVIEW
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

TABLE OF CONTENTS

Description	Page(s)
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	1
Exit Conference	1
Management's Responses	1
SUMMARY OF OBSERVATIONS	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT'S RESONSES	3-4

INTRODUCTION

Background

Contract Name: St. Martha's Hall

Contract Number: 62393

CFDA Number: 14.231

Contract Period: January 1, 2011 through December 31, 2011

Contract Amount: \$35,800

The contract provided Federal Emergency Shelter Grant (FESG) funds to St. Martha's Hall (Agency) to provide services to abused women 18 years of age or older and their children, whose last known residence was in the St. Louis area. Legislation was recently passed to extend services to homeless women outside of the St. Louis area. Services include shelter, crisis intervention, support groups, individual support, advocacy programs, information and referrals, community education and follow-up.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Department of Human Services (DHS) requirements for the period January 1, 2011 through December 31, 2011, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by DHS. Evidence was tested supporting the reports the Agency submitted to DHS and other procedures were performed as considered necessary. Fieldwork was completed on February 21, 2012.

Exit Conference

An exit conference was offered to the agency on March 12, 2012, but the Agency declined.

Management Responses

Management responses were received from the Agency on March 14, 2012 and have been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state and local DHS requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project#2011-HOM09, issued May 16, 2011, contained no observations.

A-133 Status

The Agency is a part of the St. Louis Archdiocese. The Archdiocese did expend more than \$500,000 in federal funds and was required to have an A-133 Audit for its fiscal year ending June 30, 2011.

The report was dated October 27, 2011 and rendered unqualified opinions on both the general-purpose financial statements and major federal award programs. However, there was a reportable condition required to be reported in accordance with OMB Circular A-133, but the condition was not related to this grant program.

The Agency did not qualify as a low-risk auditee.

Summary of Current Observations

Recommendations were made for the following observation, which if implemented could assist the Agency in fully complying with federal, state, and local DHS requirements.

- Opportunity to submit monthly reimbursement requests timely

DETAILED OBSERVATIONS, RECOMMENDATIONS AND MANGEMENT'S RESPONSES

Opportunity To Submit Monthly Reimbursement Requests Timely

Reimbursement requests submitted for the review period were examined, and it was noted that seven of the nine requests submitted after the contract was fully executed, were late by an average of twenty days.

The Agency's contract with DHS states, "Monthly financial and activity reports should be submitted to the City on or before the fifteenth day of each month for the pervious month."

The Development Director commented that the Agency did not receive billings for verification from the main Archdiocese Finance Office until the books were closed on the 11th of the following month. This did not allow time for the Agency to prepare and submit reimbursement requests to DHS by the fifteenth of the month. In addition, the Development Director was not aware that monthly reports had a deadline of the fifteenth.

Recommendation

It is recommended that the Agency comply with the DHS grant contract requirements and implement procedures to ensure the monthly reimbursement requests are submitted by the 15th of the month. In addition, the Agency may request a waiver or extension of time from DHS for the deadline to submit the monthly reimbursement requests.

Management's Response

St. Martha's Hall acknowledges that several invoices related to the Federal Emergency Shelter Grant (FESG) administered by the City of St. Louis Department of Human Services, Homeless Services Division were submitted after the deadline.

The most significant of these late submissions occurred during the Development Director's extended absence due to maternity leave. Additional invoices were submitted after the specified deadline as the bills from other organizations that St. Martha's Hall uses to prepare the monthly grant invoices are not available before the 9th business day of the month. At times, this can lead to the invoices, due on the 15th day of the month, being late.

St. Martha's has taken steps to prevent recurrences of these situations. The Executive Director is familiar with and may complete the monthly grant invoices in the Development Director's absence. In order to meet the 15th of the month deadline, St. Martha's Hall has contacted the accountants for Cardinal Ritter Senior Services and Catholic Charities, the agencies billing St. Martha's Hall, and made arrangements for their monthly bills and quarterly true-ups to be sent to St. Martha's Hall based on the

soft close of their books. The soft close occurs on the 6th business day of the month which should provide ample time to complete the FESG invoices by the 15th.

This process will begin upon receipt of a signed 2012 FESG contract from the City of St. Louis Department of Human Services, as we have been instructed by the City Department of Human Services, Homeless Services Division not to submit billings until the 2012 FESG contracts have been signed.

Should these remedies not yield satisfactory results, St. Martha's Hall will contact the City of St. Louis Department of Human Services, Homeless Services Division to request a change of the 15th of the month deadline to the 20th.